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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

SURFACE TRANSPORTATION BOARD

February 23, 2012

Ms. Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D C. 20423

Dear Ms. Brown:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of February 23, 2012, a primary document as defined in the Board's Rules for the Recordation of Documents.

The document covers all rail equipment and leasehold interests therein of the Borrowers now owned or hereafter acquired.

The names and addresses of the parties to the enclosed document are:

Borrowers: Carload Express, Inc
Allegheny Valley Railroad Company
Camp Chase Railroad Company
Southwest Pennsylvania Railroad Company
Bldg. 1, Suite 100
519 Cedar Way
Oakmont, PA 15139

Secured Party: Wells Fargo Bank, National Association
4 Gateway Center
444 Liberty Avenue, Suite 1400
Pittsburgh, PA 15222

Chief of the Section of Administration
February 23, 2012
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A description of the railroad equipment covered by the enclosed document is:

All locomotives, railcars and other rolling stock of the Grantors, including any lease and sublease interests relating thereto, whether now owned or hereafter acquired, effective as of January 23, 2012, including without limitation the 20 railcars bearing CCRA, SWP and AVR reporting marks as set forth on the attachment to the document.


A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



✓ Edward M Luria

EML/sem
Enclosures

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MEMORANDUM OF SECURITY AGREEMENT**SURFACE TRANSPORTATION BOARD**

This Memorandum of Security Agreement is made and entered into as of February 23, 2012, by and among CARLOAD EXPRESS, INC., a Pennsylvania corporation ("CEI"), ALLEGHENY VALLEY RAILROAD COMPANY, a Pennsylvania corporation ("AVR"), CAMP CHASE RAILROAD COMPANY, an Ohio corporation ("CCR"), SOUTHWEST PENNSYLVANIA RAILROAD COMPANY, a Pennsylvania corporation (CEI, AVR, CCR and SWP, together with their successors and permitted assigns, each a "Borrower" and collectively, the "Borrowers"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank"), respecting that certain Railcar Security Agreement dated as of February 23, 2012 (the "Railcar Security Agreement") among Borrowers in favor of Bank, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

Borrowers and Bank hereby affirm and acknowledge Borrowers have agreed to grant the Bank a security interest in, *among other things*, (i) *all now owned and hereafter acquired rail equipment of any Borrower*, including without limitation all of the railroad equipment described by mark and car number on Exhibit A hereto, and any railcars or other railroad rolling stock now or hereafter owned by any Borrower, including without limitation any railcars or other railroad rolling stock described from time hereafter on a supplemental Exhibit A provided under the terms of the Railcar Security Agreement, together with all substitutions, replacements and renewals thereof, and all property which shall hereafter become physically attached to or incorporated in the property above described, whether the applicable Borrower now has rights therein or such rights shall hereafter be acquired by it and (ii) any leasing agreement whereby any Borrower, or a predecessor in interest of such Borrower, has as lessor, granted a leasehold interest in any Railcar to any Person.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Security Agreement to be duly executed in its company name by its officers, thereunto duly authorized, all as of the date first above written.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement to be duly executed as of the day and year first above written as a document under seal.

BORROWERS

ATTEST/WITNESS:

Richard Peterson

CARLOAD EXPRESS, INC.

By: Russell A. Peterson (Seal)

Name: Russell A. Peterson

Title: Chief Executive Officer

ATTEST/WITNESS:

Richard Peterson

ALLEGHENY VALLEY RAILROAD
COMPANY

By: Russell A. Peterson (Seal)

Name: Russell A. Peterson

Title: Chief Executive Officer

ATTEST/WITNESS:

Richard Peterson

CAMP CHASE RAILROAD
COMPANY

By: Russell A. Peterson (Seal)

Name: Russell A. Peterson

Title: Chief Executive Officer

ATTEST/WITNESS:

Richard Peterson

SOUTHWEST PENNSYLVANIA
RAILROAD COMPANY


By: Russell A. Peterson (Seal)

Name: Russell A. Peterson

Title: Chief Executive Officer

BANK:

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: 
Name. Joseph J. Bianchin, III
Title: Senior Vice President

ACKNOWLEDGMENT

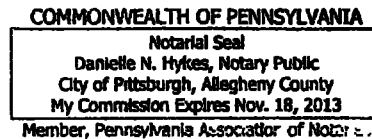
COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY) SS:

On this, the 23rd day of February, 2012, before me, a Notary Public, personally appeared Russell A. Peterson, who acknowledged himself to be the Chief Executive Officer of Carload Express, Inc., a Pennsylvania corporation, and that he, as such officer, executed the foregoing instrument for the purposes therein contained by signing his name on behalf of the corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:



ACKNOWLEDGMENT

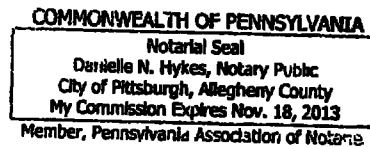
COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY) SS:

On this, the 23rd day of February, 2012, before me, a Notary Public, personally appeared Russell A. Peterson, who acknowledged himself to be the Chief Executive Officer of Allegheny Valley Railroad Company, a Pennsylvania corporation, and that he, as such officer, executed the foregoing instrument for the purposes therein contained by signing his name on behalf of the corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:



ACKNOWLEDGMENT

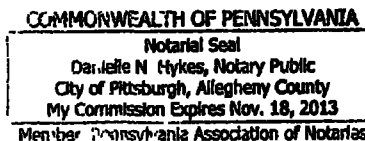
COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY) SS:

On this, the 23rd day of February, 2012, before me, a Notary Public, personally appeared Russell A. Peterson, who acknowledged himself to be the Chief Executive Officer of Camp Chase Railroad Company, an Ohio corporation, and that he, as such officer, executed the foregoing instrument for the purposes therein contained by signing his name on behalf of the corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:



ACKNOWLEDGMENT

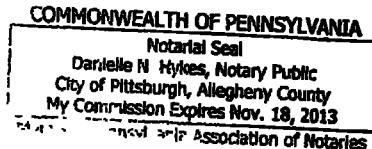
COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY) SS.

On this, the 23rd day of February, 2012, before me, a Notary Public, personally appeared Russell A. Peterson, who acknowledged himself to be the Chief Executive Officer of Southwest Pennsylvania Railroad Company, a Pennsylvania corporation, and that he, as such officer, executed the foregoing instrument for the purposes therein contained by signing his name on behalf of the corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:



ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY) SS:

On this, the 23rd day of February, 2012, before me, a Notary Public, personally appeared Joseph J. Bianchin, III, who acknowledged himself to be the Senior Vice President of Wells Fargo Bank, National Association, and that he, as such officer, executed the foregoing instrument for the purposes therein contained by signing his name on behalf of the corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:

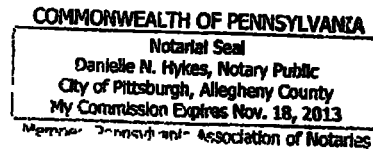


Exhibit A

Unit Road	*Unit Number	Unit Type	Year Built	Original Road	Prior Railroad	Previous Number	Purchased From	Current Owner
1	CCRA 1501	SW-1500	1972	Southern Pacific RR	NREX	2671	National Railway Equip.	AVR
2	CCRA 1502	SW-1500	1972	Southern Pacific RR	UP	2674	Union Pacific RR	CCRA
3	CCRA 1503	SW-1500	1972	Southern Pacific RR	LTEX	2678	Truck Electric	AVR
4	SWP 2001	GP-11	1991	Illinois Central RR	IC	8739	Cherokee Rail Asset Services	SWP
5	SWP 2002	GP-11	1991	Illinois Central RR	IC	8744	National Railway Equip.	SWP
6	SWP 2003	GP-11	1991	Illinois Central RR	IC	8705	Joseph Transportation Services	SWP
7	AVR 2004	GP-11	1991	Illinois Central RR	IC	8753	Progress Rail Service	AVR
8	AVR 2005	GP-11	1991	Illinois Central RR	IC	8729	Progress Rail Service	AVR
9	SWP 2006	GP-11	1991	Illinois Central RR	IC	8749	National Railway Equip.	AVR
10	AVR 2007	GP-11	1991	Illinois Central RR	IC	8711	Progress Rail Service	AVR
11	AVR 2008	GP-11	1991	Illinois Central RR	IC	8725	National Railway Equip.	AVR
12	AVR 3002	SD 40-2	1971	Seaboard Coast Line RR	KCS	627	Kansas City Southern	AVR
13	AVR 3001	SD 40-2	1970	Northern Pacific RR	KCS	617	Kansas City Southern	AVR
14	AVR 3003	SD 40-2	1969	Chicago & Northwestern RR	KCS	633	Kansas City Southern	AVR
15	AVR 3004	SD 40-2	1969	Chicago & Northwestern RR	KCS	614	SCC SPV II LLC	AVR
16	AVR 4001	GP40-2	1966	Chicago Burlington & Quincy RR	KCS	4742	Metro East Industries, Inc.	AVR
17	AVR 4002	GP40-2	1966	Western Pacific	KCS	4756	Metro East Industries, Inc.	AVR
18	AVR 4003	GP40-2	1967	Seaboard Airline Railroad	KCS	2816	Metro East Industries, Inc.	AVR
19	AVR 4004	GP40-2	1968	Chicago Burlington & Quincy RR	KCS	2825	Metro East Industries, Inc.	AVR
20	AVR 4005	GP40-2	1966	Chicago, Milwaukee, St. Paul & Pacific RR	KCS	4736	Metro East Industries, Inc.	AVR

CERTIFICATION

I, Edward M Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document

Dated. 2/23/12

Edward M Luria
Edward M Luria